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Flooring Contractor Charged with Conducting Business after License Revocation

Kennewick, WA – July 15, 2010 – A Richland flooring contractor was charged today with several felony counts of theft of sales tax and operating a business after his license was revoked.

Daniel Clarence Medlock, 38, was charged in Benton County Superior Court with continuing to operate Cutting Edge Hardwood Floors after the Department of Revenue revoked his license last September for nonpayment of taxes.

The Criminal Justice Division of the Attorney General's Office filed the charges at the Department's request.

According to the charging papers, Medlock opened his business in September 2000, and over the following nine years the Department had to file nine tax warrants against him for failing to pay taxes, with four of those warrants totaling more than \$44,000 still remaining unpaid. Much of the unpaid taxes involved sales taxes collected from customers but not remitted to the state as required by law.

The Department became aware that Medlock continued to do flooring jobs after his license was revoked, and the papers document three instances in which he performed work after September. He collected but never reported sales tax on two of those jobs.

"Nobody should enjoy a competitive advantage over honest businesses by cheating on their taxes or operating under the table," Revenue Director Cindi Holmstrom said. "Everybody needs to play by the same rules."

The Department urges any other individuals who have done business with Medlock since last September to contact the Department's Richland field office at (509) 734-7526.

The charges carry a maximum penalty of \$10,000 and five years in prison.

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